

**City of Bloomington: Bloomington Digital Underground Advisory Committee**

Date of Record: Dec 7, 2006

Prepared By: Rick Dietz, ITS Director

**Summary**

Bloomington Digital Underground Advisory Committee (BDUAC) meeting held Thursday Dec 7, 2006 at 4:00 p.m. in the McCloskey Room of City Hall at Showers, 401 N. Morton St., Bloomington, IN.

**Roll Call**

Committee Members Present

Mark McMath, Bloomington, Bloomington Hospital  
Eric Ost, TCC  
Brian Kleber, Small Business Development

Committee Members Absent

Charlie Webb, CallNet  
Linda Williamson, Bloomington Economic Development Corporation

Vacancy

Mayoral IU Appointee  
Council Appointee

City of Bloomington Staff Present

Rick Dietz, Director, Bloomington ITS  
Rick Routon, Assistant Director, Bloomington ITS  
Ron Walker, Director of Economic Development, Bloomington

Guests Present

Bill Goveia, County  
Dr. Mike Sullivan, BEHC

**Material Provided**

1. Dec 7, 2006 Meeting Agenda
2. July 13, 2006 Meeting Notes

**Minutes (Not Official: No quorum was present)**

Meeting called to order at 4:00 p.m.

- I. BDU Buildout Update
  - a. Rick Routon [RR]: Kid City, Traffic Division, Banneker and Fire Operations – Fiber is in place. Now waiting on equipment to light the fiber.
  - b. Rick Dietz [RD]: Council appropriation provided funding to upgrade our network. We have a diverse highspeed network which consists of BDU lit fiber, DSL, Cable, and leased fiber (Smithville).
- II. HIE Discussion with Dr. Mike Sullivan
  - a. Mike Sullivan [MS]: Bloomington E-Health Collaborative is putting together a RFP for local and regional health information exchange (HIE) to deliver clinical information and data. Bloomington would be among the leaders in the country. The Midwest is an HIE hub; Cincinnati is largest HIE in country. South Bend and Indianapolis are other Indiana HIEs.
  - b. [RD]: This is not just about software, what about infrastructure?
    - i. [MS]: The data exchange could work on commodity Internet, but needs higher speeds to reach its full potential. This is why we are here at these BDUAC meetings.
    - ii. [MS]: On the FCC grant – The FCC sets aside about \$400 million annually for rural healthcare, but not all funds are used. This year a FCC pilot program offers funding for rural HIE networks. Another difference is that they are offering to pay 85% of the costs for design, infrastructure, carrier fees and connecting networks to Internet2 (and maybe National Lambda Rail.)
  - c. [MS]: The grant timing is fuzzy. It still needs GAO approval, perhaps coming in January or February. Approval triggers a 30-day window for applications to be submitted. Application is nonstandard. The FCC appears to be looking for something like a business plan.
    - i. [MS]: We have enough to start. The scope is up in the air – local , region, statewide? We need more info from the State to know what they are doing.
  - d. [MS]: It looks like the FCC wants Internet2 to be the backbone of a national health network. I-Light2 would be a natural asset for Indiana to use.
    - i. [RD]: There are restrictions on how I-Light2 may be used due to a MOU between the Governor and IU (I-Light2 manager) limiting its use to higher ed.
    - ii. [RD]: A local or regional HIE will need to accomodate public, not-for-profit and private entities so additional flexibility is needed.
    - iii. [MS]: Internet 2 has no remaining content restrictions, only limits on who connects and the fee structure. There are rumors the Governor's office will permit I-Light2 use for health networks. Senator Ford is working on this. I-Light1 connecting Bloomington, Indianapolis and West Lafayette is not restricted in this fashion though.
    - iv. Rick Dietz [RD]: I-Light1 is a possibility for transport to Indy and Internet2, but it's politically sensitive given the Governor's approach to I-Light2. November election results and pressure from Senator Ford, etc. may alter this equation.
    - v. Mark McMath [MM]: We probably need a public/private hybrid solution. The status quo is 'lose/lose'. Providers stopped public investment but aren't building infrastructure as promised. All parties coming together can create win/win scenario.
  - e. [RD]: The grant focus is rural health care. We need to connect our community to surrounding counties.
    - i. Bill Goveia [BG]: Bloomington is the center of a public health care district. This dovetails with other initiatives.

- ii. Eric Ost [EO]: Turf and profit protection don't serve the public. Providers oppose public investment and loss of potential revenue. But there is no potential revenue since they aren't investing. They need to give to get.
- f. [MS]: The most common model the FCC is expecting is that unused fiber will provide the backbone and providers will bid to provide services on top. And there should be multiple bidders.
  - i. [RD]: That would require that there be more than one to have fiber in underserved areas where there are possibly none.
  - ii. [BG]: How would providers afford to run fiber to Owen county and hope to recover costs?
  - iii. [EO]: No single model will work.
  - iv. [RD]: We are looking at a hub and spoke model where each spoke will have a different mix of collaborators and circumstances.
- g. [MS]: We are working to assemble wish lists from partners including redundant fiber for the Hospital, offsite disaster storage for County and City, connecting local health care providers, etc.

### III. BDU Pricing Schedule Discussion

- a. [RD]: The proposed pricing schedule draws from the BDU strategic plan, other municipality's fiber pricing, affordability to existing partners, need to offset expense, support for future use/expansion and facilitating BDU usage.
  - i. [MM]: Pricing needs to return enough value to keep BDU going
- b. [RD]: The Telecom Fund would accept any revenue and provides for reinvestment in the BDU, telecommunication generally, telecom equipment in Cityhall and CATS funding.
- c. [EO]: Did you use the strategic plan Excel application to determine pricing?
  - i. [RD]: It was a contributing factor, but not the only one. The excel app provides a range of prices in a matrix. We have simplified this a bit.
  - ii. [EO]: I thought the matrix set pricing around \$495/year.
  - iii. [RD]: Section 3.3 of the plan suggests \$1000/year/strand. Our recommendation is slightly higher but it is segmented into two classes: public benefit and standard pricing, instead of 3 classes.
- d. [RR]: Public Benefit price is available to public entities and 501c organizations.
  - i. [MM]: The Hospital is evaluating options to connect facilities.
  - ii. [RD]: The Hospital would qualify if it is 501c. We have developed a generic lease that has been used in 2007 County, MCCSC and MCPL usage agreements. The Price schedule would apply to them starting in fiscal year 2008.
- e. [RR]: Pricing includes only fiber in BDU core. The lessee pays to get their fiber to the BDU [nearest manhole]. The City provides no management services, only BDU fiber repair.
- f. [BG]: This doesn't seem like competition. It's limited to entities that want dark fiber and have the ability to light it themselves. Providers could provide services over BDU so it's a win/win.
  - i. [RR]: City, County, MCCSC, MCPL all currently use BDU fiber and have the capacity to light and manage on their own in a cost-effective way.
  - ii. [EO]: Using BDU is a cost-savings for partners.
  - iii. [RR]: If we hadn't made investment in BDU we would have had much worse connectivity. We couldn't have afforded equivalent connectivity with AT&T.
  - iv. [BG]: Prior to the BDU the County was paying significantly more for less.
- g. [MM]: How fast does this go forward?
  - i. [RD]: I would like to get this through BPW next week, but its more likely after the New Year. Late January through BPW. Then to Council. Ideally done by first quarter.

- h. [RD]: Is the price too low?
    - i. [MM]: I think you've found the right balance – balancing all the things you are trying to accomplish and bringing some money back to benefit the public.
    - ii. [BG]: I'm concerned about the price being too low. Does this protect the BDU and make it sustainable given future budget constraints?
  - i. What about terms? Limiting licenses to two-year terms to insure arrangement is working before opening up longer terms?
    - i. [MM]: Initial buildout investment may require longer terms to be worthwhile.
    - ii. [BG]: If scaled up to all fiber lit, does this work? For 10 year leases?
  - j. [EO]: The benefit of this price schedule is that you'll now have prices out in the public. People will know what it takes to make use of this and it will multiply the benefits. Where did the term (1-10year) come from?
    - i. [RD]: We simplified original distinct terms leases down to one term to keep it simple.
  - k. [EO]: I say, Launch and learn.
  - l. [MM]: What about private non-ISP use of BDU.
    - i. [RR]: The ION usage restriction has lapsed.
    - ii. [EO]: Policies were written assuming ISPs would come into town, the opposite has happened.
    - iii. [RD]: BDU is a unique offering: dark fiber with no services and the lessee is responsible for building to it. No one else offers this. Customers are limited to large public/NFPs, ISPs and very large corps that want total control of their network and have staff to support it.
- IV. Closing
- a. [RD]: [Out of time for meeting room.] Meeting adjourned

*Summary compiled by Rick Dietz*